

Examples of pre-approved insurance:



Example 1: A contractor bids and is awarded a contract of less than \$1,000,000 in construction value. The contractor submits complete insurance documentation evidencing the appropriate liability limits in accordance with the Caltrans' "tiered approach" in the insurance specifications. See "Insurance Table," summarizing required liability insurance limits. ORM approves insurance for this project and also issues the contractor a pre-approval certificate for future projects having construction value of \$1,000,000 or less. A few months later, the contractor bids and is awarded a contract valued at \$6,000,000. As a condition of contract approval, the contractor must submit to the Office of Office Engineer the appropriate liability insurance limits to comply with the specifications, because the contractor is only approved for contracts that are valued \$1,000,000 or less. Once proper insurance documentation is submitted and approved, ORM issues another pre-approval certificate for projects up to \$25,000,000 (the next tier in the insurance specifications).

Example 2: On 7/1/2007 a contractor received a pre-approval certificate from ORM for its general liability, excess liability, and auto liability insurance with a common expiration date of 10/1/2007. The contractor also received approval for his workers' compensation policy expiring 9/1/2007 as evidenced by a valid certificate of insurance. The pre-approval certificate is valid until 9/1/2007 (the contractor's next expiration date). On 8/25/2007, the contractor's insurance broker submits to ORM evidence that the contractor's workers compensation policy is renewed for another year. ORM issues a new pre-approval certificate to the contractor, valid until 10/1/2007, which is when the contractor's general liability, excess liability, and auto liability insurance expires. Prior to 10/1/2007, the contractor must re-submit copies of his general liability and excess liability policies (or binder until the policies are issued) as well as a certificate of insurance evidencing renewed automobile liability insurance. Upon receiving documented validation, ORM issues the contractor a new certificate of pre-approved insurance, valid until 9/1/2008.